

Before the Illinois Commerce Commission

Direct Testimony of

Gordon J. Kraut, Jr.

On Behalf of

Mid Century Telephone Co-operative

(ICC Docket Nos. 00-0233 and 00-0335)

April 20, 2001

OFFICIAL FILE

ILL. C. C. Docket Nos. 00-0233/0335
Mid Century Telephone Co-op. Exhibit 1.0

Date 6-19-01 Reported CB

1 **Q. PLEASE IDENTIFY YOURSELF FOR THE RECORD.**

2 A. My name is Gordon Kraut. I am a consulting manager with GVNW Consulting,
3 Inc. GVNW Consulting, Inc.'s principal business is telecommunications
4 consulting for small independent telephone companies. My business address is
5 3220 Pleasant Run, Springfield, Illinois 62707.

6
7 **Q. PLEASE PROVIDE YOUR EMPLOYMENT BACKGROUND.**

8 A. I joined GVNW, Inc. on October 20, 1997. In my current position I consult with
9 independent telephone companies and provide financial analysis and management
10 advice in areas of concern to these companies. Specific activities include
11 regulatory analysis, consultation on regulatory policy, financial analysis, market
12 analysis, rate design and tariff development, long-range strategic planning and
13 general management consulting services. Previously, I was employed by TDS
14 TELECOM, as Manager of Revenue and Earnings in the Government and
15 Regulatory Affairs Group, where my responsibilities were to manage the revenue
16 and earnings processes, manage the development and implementation of earnings
17 strategies, and oversee rate cases, regulatory audits, and earnings reviews for the
18 TDS TELECOM companies. I also assisted in the regulatory review of telephone
19 company operating and capital budgets, and ensuring that capital recovery
20 objectives were achieved for TDS TELECOM operating companies.

21
22 In 1988, I began my telecommunications career with TDS, Inc., as an Internal
23 Auditor. In this position, I conducted both operational and financial reviews of
24 TDS, Inc.'s operating companies. In 1993, I was promoted to Senior Internal
25 Auditor where I took a more active role in managing internal audits for the

1 company. In 1994, I was promoted to Associate Manager of Accounting in TDS
2 TELECOM. My responsibilities included providing management with monthly
3 reports on company financial results, troubleshooting and providing support to the
4 region accounting staffs and helping determine accounting policy and procedures.
5 Early in 1996, I was promoted to the position of Manager of Revenue and Earnings
6 in the Government and Regulatory Affairs Group.

7
8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

9 A. I graduated from Edgewood College in May 1988 with a Bachelor of Science
10 Degree in Business with an emphasis in Accounting. I was awarded a Masters in
11 Business Administration from Edgewood College in 1991.

12
13 **Q. HAVE YOU TESTIFIED BEFORE?**

14 A. Yes. I have provided testimony in the Commonwealth of Pennsylvania in rate
15 cases for Sugar Valley Telephone Company and Mahanoy & Mahantango
16 Telephone Company. I have also put in testimony on behalf of Citizens of
17 Kecksburg also in Pennsylvania in a rural exemption case.

18
19 **Q. ON WHAT COMPANY'S BEHALF IS THIS TESTIMONY SUBMITTED?**

20
21 A. Mid Century Telephone Co-operative.

22
23 **Q. HAVE THE ILLINOIS UNIVERSAL SERVICE FUNDING**
24 **CALCULATIONS FOR MID CENTURY TELEPHONE CO-OPERATIVE**
25 **USING THE FORMAT AGREED TO BY THE STAFF AND THE IITA**
26 **BEEN PREPARED BY YOU OR SOMEONE UNDER YOUR DIRECT**
27 **SUPERVISION?**

1 A. Yes it has. It is attached as Mid Century Telephone Co-operative Exhibit 1.0,
2 Schedule 1.01 and consists of three pages.

3

4 **Q. DID YOU COMPLETE MID CENTURY TELEPHONE CO-OPERATIVES**
5 **EXHIBIT 1.0, SCHEDULE 1.01 IN ACCORDANCE WITH THE**
6 **INSTRUCTIONS AND BASED ON MID CENTURY TELEPHONE CO-**
7 **OPERATIVE'S ICC FORM 23A OR OTHER INFORMATION FILED BY**
8 **THE COMPANY WITH THE COMMISSION FOR THE YEAR ENDED**
9 **DECEMBER 31, 2000?**

10

11 A. Mid Century Telephone Co-operative is a cooperative in this state and is not
12 required to file an ICC Form 23A. Instead, Mid Century files an RUS 479 report
13 with the Commission. This filing has been prepared using the RUS 479 report as
14 filed with the Illinois Commerce Commission for the year ended December 31,
15 2001.

16

17 **Q. BASED ON THE RESPONSES AND CONTENT OF MID CENTURY**
18 **TELEPHONE CO-OPERATIVE EXHIBIT 1.0, SCHEDULE 1.01, IS MID**
19 **CENTURY TELEPHONE CO-OPERATIVE PROVIDING STAFF WITH**
20 **CERTAIN ADDITIONAL DOCUMENTS?**

21

22 A. Yes. I am providing the Staff with a copy of Mid Century Telephone Co-
23 operative's December 31, 2000, Trial Balance. I am also providing a summary
24 copy of the contract for the outside plant rebuild as well as the engineering
25 contract associated with this project.

26

27 **Q. HAVE YOU PROVIDED THE REQUISITE INFORMATION FROM MID**
28 **CENTURY TELEPHONE CO-OPERATIVE EXHIBIT 1.0, SCHEDULE**
29 **1.01 TO MR. SCHOONMAKER FOR HIS USE IN COMPILING THE**

**COMPOSITE RESULTS FOR ALL COMPANIES SEEKING FUNDING IN
CONNECTION WITH HIS TESTIMONY?**

A. Yes, I have.

**Q. IS MID CENTURY TELEPHONE CO-OPERATIVE EXHIBIT 1.0,
SCHEDULE 1.01 TRUE AND CORRECT TO THE BEST OF YOUR
KNOWLEDGE, INFORMATION AND BELIEF?**

A. Yes, it is.

**Q. HAVE YOU MADE ANY OF THE STANDARD ADJUSTMENTS THAT
HAVE BEEN AGREED UPON BETWEEN THE IITA AND STAFF?**

A. Yes, I have.

**Q. PLEASE DESCRIBE EACH OF THE ADJUSTMENTS THAT YOU HAVE
MADE TO MID CENTURY TELEPHONE CO-OPERATIVE.**

A. I have made three (3) standard adjustments on Mid Century Telephone Co-operative Exhibit 1.0. These adjustments are summarized in Schedule 1.02.

The first adjustment is standard adjustment #1 as listed in Bob Schoonmaker's testimony to include the Rural Telephone Bank (RTB) Class B stock. This information is recorded in account 1402.3 and 1402.4 in Mid Century's December 31, 2000, Trial Balance and results in an increase to rate base of \$150,350.

The second adjustment is standard adjustment #4 as listed in Bob Schoonmaker's testimony to include significant plant investment changes. These additions result in an increase to rate base of \$3,140,023. This is year one of a five (5) year plan

1 to rebuild a majority of the outside plant of Mid Century Telephone Cooperative
2 with the total cost of the project to exceed \$12,000,000. These additions are for a
3 major plant rebuild that will be taking place in 2001 for the Table Grove and
4 Sumnum exchanges. This also includes partial rebuilds of the Fairview,
5 Smithfield, Marietta and Ellisville exchanges. Also, included in the rebuild is
6 \$200,000 of engineering expense. This is approximately one-third the cost of the
7 engineering contract of \$649,200 that was entered into with Communications
8 Engineers, Inc. that is estimated to be completed in 2001 as part of the \$2.9M
9 outside plant upgrade taking place in 2001. Attached as exhibit 1.03 is a summary
10 of the contract for the rebuild of these exchanges.
11

12 The third adjustment that was made is for an increase in Federal High Cost Loop
13 (HCL) Revenues that Mid Century is currently receiving in 2001. This is listed as
14 standard adjustment #5 in Bob Schoonmaker's testimony. Mid Century received
15 \$172,425 in Federal HCL funding in 2000 per information that appears on
16 quarterly filings that the Universal Service Administration Corporation (USAC)
17 made with Federal Communication Commission. Per these same filings for the
18 first two quarters of 2001 annualized, Mid Century is receiving \$269,160. This
19 results in a decrease in Federal funding of \$96,735 and is a known and measurable
20 reduction in Mid Century Telephone Co-operative's revenue streams.
21

22 **Q. HAVE YOU MADE ANY OF NON STANDARD ADJUSTMENTS THAT**
23 **WERE NOT AGREED UPON BETWEEN THE IITA AND STAFF?**
24

25 **A.** Yes, I have.
26

27 **Q. PLEASE DESCRIBE EACH OF THE NON-STANDARD ADJUSTMENTS**
28 **THAT YOU HAVE MADE TO MID CENTURY TELEPHONE CO-**
29 **OPERATIVE.**
30

1 A. I have made one (1) non-standard adjustment on Mid Century's Exhibit 1.0.
2 These adjustments are summarized in Schedule 1.02.

3
4 This non-standard adjustment removes non-regulated revenues appearing in Mid
5 Century's RUS 479 Report filed with the Commission. The adjustment removes
6 \$55,790 of non-regulated revenues from Mid Century's Exhibit 1.0, Line 14,
7 Total Operating Revenues.

8
9 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY ON BEHALF**
10 **OF MID CENTURY TELEPHONE CO-OPERATIVE?**

11
12 A. Yes, it does.
13
14

Mid Century Telephone Co-operative
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000

Line #	Description	Source	Amount	Adjustment	Adjusted Amount
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 4,752,253	\$ 3,290,373	\$ 8,042,626
2	Materials and Supplies Inventory	Page 2, 13-Month Average	47,768		47,768
3	Customer Deposits	Form 23A, P 8, 4040	17,167	-	17,167
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			8,073,227
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	3,597,936	-	3,597,936
8	Less: Depreciation Expense	Form 23A, P 13, 6560	703,366	-	703,366
9	Total WC Operating Expense	line 7 - line 8	2,894,570	-	2,894,570
10	WC OE Requirement	line 9 * 45 / 360			361,821
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			361,821
13	Total Rate Base	line 5 + line 12			8,435,048
14	Total Operating Revenues	Form 23A, P 11, Total	4,281,332	40,945	4,322,277
15	Less: Illinois High Cost Fund		109,584	-	109,584
16	Net Operating Revenues	line 14 - line 15	4,171,748	40,945	4,212,693
17	Total Operating Expenses	Form 23A, P 14, Total	3,597,936	-	3,597,936
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	14,097	-	14,097
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	559,715	40,945	600,660
21	Income Tax Expense	line 34			-
22	Net Operating Income	line 20 - line 21			600,660
23	Return on Rate Base	line 22 / line 13			7.12%
24	After-tax Cost of Capital				12.60%
25	Target Net Operating Income	line 24 * line 13			1,062,816
26	Adj to Achieve Target Return on RB	line 25 - line 22			462,156
27	Gross Revenue Conversion Factor	line 35			1.0000
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			462,156
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			600,660
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			-
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			600,660
33	Federal Income Tax Expense	line 32 * 34.00%			-
34	Total Imputed Income Tax Expense	line 31 + line 33			-
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.0000

Mid Century Telephone Co-operative
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000
Material & Supplies Worksheet and Other Information

Line #

1	December-99	\$43,484
2	January-00	\$42,974
3	February-00	\$41,572
4	March-00	\$61,112
5	April-00	\$54,859
6	May-00	\$53,151
7	June-00	\$53,480
8	July-00	\$48,508
9	August-00	\$48,754
10	September-00	\$44,495
11	October-00	\$41,652
12	November-00	\$43,483
13	December-00	\$43,466
14	13 Month Average	\$47,768

Sale/Lease Back Arrangement

☒
☐

The company does not have any sale(s)/lease back arrangement.
The company does have sale(s)/lease back arrangement and has provided additional information to staff.

Lease Agreement with Affiliates

☒
☐

The company does not have any lease agreements with affiliates.
The company does have lease agreements with affiliates and has provided additional information to staff.

Trial Balances

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

Mid Century Telephone Co-operative
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000
Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 490,168
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 522,380
3	State Access Revenues	Trial Balance 12/31/00	\$ 877,626
4	State High Cost Support	Exhibit X, Line 15	\$ 109,584
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 54,451
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 2,054,209
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 210,594
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 1,288,036
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 156,543
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 79,881
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 1,735,054
12	Misc Revenues	Trial Balance 12/31/00	\$ 492,079
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 4,281,342</u>

Mid Century Telephone Co-operative
Summary of Adjustments

Adjustment 1	Dr.	Cr.
RTB Class B Stock	150,350	
Adjustment 4		
TPIS	3,140,023	
To include major network rebuild		
Adjustment 5		
2001 HCL Fund Draw	\$ 269,160	
2000 HCL Fund Draw	\$ 172,425	
Increase in HCL funds	\$ 96,735	
USF Revenue		96,735
To adjust revenue to reflect 2001 level		
Adjustment 6		
Total Revenue	55,790	
To adjust out Non-regulated revenue		



United States Department of Agriculture
Rural Development

Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service
Washington, DC 20250

Mid Century Telephone Co-operative
P. O. Box 479
Canton, Illinois 61520

MAY 17 1984

SUBJECT: Illinois 511-Y Mid Century

We have approved the following document(s):

- ☐ Force Account Construction Proposal No. _____ . An estimated amount of \$ _____ has been encumbered for labor and materials. A copy of the document is enclosed.
- ☐ Amendment No. _____ , dated _____ 19 _____ , to _____
Contract No. _____ , dated _____ 19 _____ , with _____
_____ . This amendment in the amount of \$ _____
(increases) (decreases) the contract amount to \$ _____ .
- ☒ Postloan Engineering Service Contract No. Y-84E , dated March 8, 20 00 , with
Communications Engineers, Inc.
An estimated amount of \$ 649,200.00* has been encumbered.
- ☐ Final documents or statement of fees for _____
Contract No. _____ , dated _____ 19 _____ , with _____
_____ , in the amount of \$ _____ .
- ☒ RUS funds will not become available until release of your "Y11" loan funds.

Very truly yours,

Chief, Eastern Area Engineering Branch
Telecommunications Program

Enclosure(s)

cc: Communications Engineers, Inc.

REA Form 565 Rev. 4 - 92 (Computer Generated Copy)

U.S. Department of Agricultural Rural Utilities Service				PROJECT DESIGNATION		
STATEMENT OF ENGINEERING FEES TELECOMMUNICATIONS				IL511Y		
INSTRUCTIONS - See 7 CFR Part 1753.17(f)				CONTRACT NO.		DATE
CONTRACT SECTION				ESTIMATED	INVOICED AND APPROVED	3/8/00 FINAL
Form 217a - Project Design, Assistance and Coordination						
A.	Section 1	Project Design	_____	1,200		
B.	Section 2	Assistance to Owner	_____	2,400		
C.	Section 3	Coordination	_____	3,200		
D.	Section 4	Plant Records	_____	800		
Form 217a Subtotal				7,600		
Form 217b - Central Office Equipment Engineering Services						
A.	Section 1	Review of Requirements	_____	1,900		
B.	Section 2C	Rebidding	_____			
C.	Additions, Modifications, Relocations, or Removals		_____	25,000		
D.	Section 2F, 2H, and 2I and Section 3		_____	4,200		
E.	For each new Central Office Equipment contract or Force Account Proposal an amount equal to:					
	_____	percent (_____)	of first \$ 100,000 _____			
Plus	_____	percent (_____)	of next \$ 300,000 _____			
Plus	_____	percent (_____)	of the balance _____			
F.	For each Installation Only contr _____ percent _____)					
Form 217b Subtotal				31,100		
Form 217c - Transmission Facilities Engineering Services						
A.	Section 1	Review of Requirements	_____	2,400		
B.	Additions, Modifications, Relocations, or Removals		_____	1,900		
C.	Section 3A	Rebidding	_____			
D.	Section 3E, 3F, and 3G		_____	1,500		
E.	Section 4	Tests	_____			
F.	For each new Transmission Facilities contract or Force Account Proposal an amount equal to:					
	Five	percent (5)	of first \$ 50,000 50000	2,500		
Plus	Three	percent (3)	of next \$150,000 150000	4,500		
Plus	Two	percent (2)	of the balance 590000	11,800		
G.	For each Installation Only contr Five percent 5)			2,000		
Form 217c Subtotal				20,800		
Form 217d - Building Engineering Services						
A.	Section 1	Review of Requirements	_____			
B.	Section 3B	Rebidding	_____			
C.	Additions, Modifications, Relocations, or Removals		_____			
D.	Sections 3F and 3G		_____			
E.	For each new Building contract or Force Account Proposal an amount equal to:					
	_____	percent (_____)	of first \$50,000			
Plus	_____	percent (_____)	of the balance			
Form 217d Subtotal						
Form 217e - Outside Plant Staking Services						
A.	Section 1	Review of Requirements	_____	1,200		
B.	Section 2C	Changes	_____	2,400		
C.	Section 2I	Joint Use or Joint Occupancy	_____			
D.	Replacement of Markers		_____	2,400		
E.	For Staking:					
1.	234	miles at \$ 350	per mile of existing buried plant to be modified	81,900		
2.	Plus	_____ miles at \$ _____	per mile of new buried plant			
3.	Plus	_____ miles at \$ _____	per mile of underground cable installed in ducts			
4.	Plus	_____ miles at \$ _____	per mile of new aerial plant			
5.	Plus	_____ miles at \$ _____	per mile of existing aerial plant to be modified			
6.	Plus	_____ miles at \$ _____	per mile of new joint use lines			
7.	Plus	_____ miles at \$ _____	per mile of existing lines to be removed where no construction or modification work is to be performed			
8.	Plus	670 service ent at 60.00	per service entrance for each new or modified service entrance.	40,200		
9.	Plus	2100 subscribers at 2.00	per subscriber shown on construction sheets	4,200		
F.	Section 2J Time and Expense Staking			6,000		
Form 217e Subtotal				138,300		

"You are not required to respond to this collection of information unless this form displays the currently valid OMB control number."

ILS11Y

CONTRACT SECTION		ESTIMATED	INVOICED AND APPROVED	FINAL
Form 217f - Outside Plant Contract Document Phase Engineering Services				
A. Sum of \$	or 2 Sections 2000	4,000		
Plus	Amendments at \$ per Amendment			
Plus 270	miles 15.00 per mile of Project Line	4,050		
B. The Sum of \$	for each approved Force Account Proposal --			
C. Section 2.	Map Tracings & Other Data	5,750		
D. Section 3.	Schematics, Assignments, and Cut Sheets	14,400		
E. Section 4B6.	Underground Conduit	3,800		
F. Section 4C3.	Pre-Bid Conference and Rebidding	3,800		
G. Section 4D3.	Changes to Force Account Proposal			
Form 217f Subtotal		35,800		
Form 217g Outside Plant Construction Phase Engineering Services				
A. Section 1 Construction Phase				
1 Section 1B Residents and Inspector		367,200		
2 Section 1C Pre-Construction Confer		1,900		
3 Section 1F Joint Use or Joint Occupancy				
4 Section 1G Tests		16,800		
5 Section 1H Connecting Companies				
6 Section 1L Reporting		7,200		
7 Section 1J Final Inspection		3,840		
B. Section 2 Final Documents: The Sum of \$	or 2 Sections			
at \$ 1500	per section	3,000		
Plus 270	miles at \$ 15.00 per mile of line included	4,050		
Plus 670	service entrances at \$ 3.00 for each service entrance installed, replaced or modified	2,010		
C. Section 3 Plant Records		9,600		
D. Section 4 Inventory and Appraisal				
Form 217g Subtotal		415,600		
Form 217 Contract SUBTOTAL		649,200		
TAXES				
GRAND TOTAL		649,200		

CERTIFICATE OF ENGINEER
(Complete for Final Statement Only)

I, _____, certify that (1) I am the _____ of _____, the Engineer in a contract entered into between the Engineer and the Owner, _____, for engineering services in a rural telecommunications Project, which Project bears the Rural Utilities Service Project designation _____; and that (2) this is a true and correct statement of the fees due under the terms of the engineering service contract; and that (3) all persons employed by the Engineer in connection with the engineering on the project have been paid in full.

(Signature)

THIS STATEMENT AND CERTIFICATE IS HEREBY APPROVED

(Owner)

By _____
(Date)

RECOMMENDED BY: _____
(Date)

(RUS General Field Representative)

APPROVED BY: _____
(Date)

(Chief, _____ Area, Engineering Branch)

CONTRACTOR :
MID-AMERICA CABLE
BID RANK : 1

MID-CENTURY
OSP BID
IL511Y

BID DATE :
NOV 2, 2000

TOTAL BID : \$2,940,022.60

Section BA

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
BA23	630	20.00	31.50	51.50	32,445.00
Section Total					\$32,445.00

Section BD

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
BD3AC	450	85.00	30.00	115.00	51,750.00
BD3PC	30	85.00	68.00	153.00	4,590.00
BD4AC	110	90.00	36.00	126.00	13,860.00
BD4PC	10	90.00	69.00	159.00	1,590.00
BD5AC	70	95.00	60.00	155.00	10,850.00
BD5PC	5	90.00	103.00	193.00	965.00
BD7C	20	100.00	204.00	304.00	6,080.00
BD7CFO	10	100.00	327.00	427.00	4,270.00
Section Total					\$93,955.00

Section BFC

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
BFC 12-22	251.400	590.00	432.00	1,022.00	256,930.80
BFC 12-22D	43.400	210.00	432.00	642.00	27,862.80
BFC 12-22P	6.900	6,000.00	432.00	6,432.00	44,380.80
BFC 12-22PV(1)	0.500	6,000.00	932.00	6,932.00	3,466.00
BFC 25-22	155.500	590.00	612.00	1,202.00	186,911.00
BFC 25-22D	79.900	210.00	612.00	822.00	65,677.80
BFC 25-22P	7.400	6,000.00	612.00	6,612.00	48,928.80
BFC 50-22	47.900	590.00	985.00	1,575.00	75,442.50
BFC 50-22D	62.000	210.00	985.00	1,195.00	74,090.00
BFC 50-22P	15.900	6,000.00	985.00	6,985.00	111,061.50
BFC 50-22PV(1)	0.900	6,000.00	1,485.00	7,485.00	6,736.50
BFC 75-22	0.700	590.00	1,364.00	1,954.00	1,367.80
BFC 75-22D	5.300	210.00	1,364.00	1,574.00	8,342.20
BFC 75-22P	1.400	6,000.00	1,364.00	7,364.00	10,309.60
BFC 75-22PV(1)	0.500	6,000.00	1,864.00	7,864.00	3,932.00
BFC 100-22	13.700	590.00	1,600.00	2,190.00	30,003.00
BFC 100-22D	7.500	210.00	1,600.00	1,810.00	13,575.00
BFC 100-22P	4.600	6,000.00	1,600.00	7,600.00	34,960.00
BFC 100-22PV(1)	2.200	6,000.00	2,100.00	8,100.00	17,820.00
BFC 100-22PV(3)	0.300	6,500.00	3,100.00	9,600.00	2,880.00
BFC 150-22P	1.900	6,000.00	2,880.00	8,880.00	16,872.00
BFC 150-22PV(1)	2.100	6,000.00	3,380.00	9,380.00	19,698.00
BFC 150-22PV(2)	0.100	6,250.00	3,880.00	10,130.00	1,013.00
BFC 200-22PV(1)	4.100	6,000.00	3,500.00	9,500.00	38,950.00
BFC 200-22PV(2)	1.600	6,250.00	3,500.00	9,750.00	15,600.00
BFC 400-24	3.900	590.00	5,000.00	5,590.00	21,801.00
BFC 400-24PV(1)	0.400	6,000.00	5,500.00	11,500.00	4,600.00
Section Total					\$1,143,212.10

CONTRACTOR :
MID-AMERICA CABLE
BID RANK : 1

MID-CENTURY
OSP BID
IL511Y

BID DATE :
NOV 2, 2000

TOTAL BID : \$2,940,022.60

Section BFO

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
BFO 12M	92.600	700.00	931.00	1,631.00	151,030.60
BFO 12DM	95.900	700.00	931.00	1,631.00	156,412.90
BFO 12I	9.900	700.00	931.00	1,631.00	16,146.90
BFO 24M	58.600	700.00	1,261.00	1,961.00	114,914.60
BFO 24DM	96.600	700.00	1,261.00	1,961.00	189,432.60
BFO 24I	11.000	700.00	1,261.00	1,961.00	21,571.00
BFO 36M	23.500	700.00	1,761.00	2,461.00	57,833.50
BFO 36DM	5.500	700.00	1,761.00	2,461.00	13,535.50
BFO 36I	0.200	700.00	1,761.00	2,461.00	492.20
BFO 36P	0.800	6,000.00	1,761.00	7,761.00	6,208.80
INNERDUCT	8,400	6.00	0.50	6.50	54,600.00
Section Total					\$782,178.60

Section BM

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
BM2	660	26.00	12.00	38.00	25,080.00
BM2A	110	10.00	4.00	14.00	1,540.00
BM2D	10	10.00	5.00	15.00	150.00
BM2G	24,400	1.00	0.50	1.50	36,600.00
BM53 (TELCO)	60	15.00	11.50	26.50	1,590.00
BM53A (TELCO)	480	20.00	5.50	25.50	12,240.00
BM53F (TELCO)	420	20.00	12.50	32.50	13,650.00
BM60-(3)Galv.Steel	1,000	8.00	5.00	13.00	13,000.00
BM61	22,000	6.00	0.50	6.50	143,000.00
BM62	41,000	6.00	0.50	6.50	266,500.00
BM63	1,500	6.00	1.50	7.50	11,250.00
BM71	5,000	6.00	0.00	6.00	30,000.00
BM73	100	10.00	10.00	20.00	2,000.00
BM83	360	10.00	3.00	13.00	4,680.00
Section Total					\$561,280.00

Section HBF

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
HBFO(12)	3	240.00	575.00	815.00	2,445.00
HBFO(24)	4	240.00	575.00	815.00	3,260.00
HBFO(36)	3	240.00	595.00	835.00	2,505.00
Section Total					\$8,210.00

Section HC

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
HC-1	380.00	185.00	37.00	222.00	84,360.00
Section Total					\$84,360.00

CONTRACTOR :
MID-AMERICA CABLE
BID RANK : 1

MID-CENTURY
OSP BID
IL511Y

BID DATE :
NOV 2, 2000

TOTAL BID : \$2,940,022.60

Section HO

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
HO-1	1,000	50.00	2.40	52.40	52,400.00
Section Total					\$52,400.00

Section NI

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
NI06(1)	70	52.50	16.95	69.45	4,861.50
Section Total					\$4,861.50

Section SE

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
SEB 6-22	93,000	1,200.00	200.00	1,400.00	130,200.00
Section Total					\$130,200.00

Section W

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
WBC	400	25.00	0.00	25.00	10,000.00
WBD	140	135.00	8.85	143.85	20,139.00
WBM60-(4)	130	0.75	0.03	0.78	101.40
WHC-1	12.00	500.00	85.00	585.00	7,020.00
WSEB	400	15.00	0.70	15.70	6,280.00
WUHL-3	1	600.00	40.00	640.00	640.00
Section Total					\$44,180.40

SectionXX

Assembly Unit Description	Quantity of Units	Unit Price			Extended Price
		Labor	Mat'l	L&M	Labor & Mat'l
XXBA3	3	40.00	0.00	40.00	120.00
XXBD2	40	20.00	0.00	20.00	800.00
XXBD3	70	20.00	0.00	20.00	1,400.00
XXBD4	20	20.00	0.00	20.00	400.00
XXBD5	1	20.00	0.00	20.00	20.00
Section Total					\$2,740.00

Grand Total

\$2,940,022.60

PROJECT DESIGNATION		NAME OF BORROWER		BORROWER DATE OF CONTRACT	
Illinois 511 - Mid Century		Mid Century Telephone Cooperative, Inc.		November 8, 2000	
COVERING			CONTRACT NO.		AMOUNT
Outside Plant Contract			Y-15		\$ 2,940,022.60
<p>You are hereby notified that we have approved, solely for the purpose of the loan between the United States of America and the Borrower relating to the Project, the above-designated Contract with the Borrower.</p> <p>We are sending one approved copy of the Contract to the Borrower under separate cover. Attached is one approved copy for your records. Performance of the contract must be undertaken as required therein.</p>					
<p><u>2/5/01</u> DATE</p>			<p><u>Laura Nagui</u> FOR THE ADMINISTRATOR Chief, Eastern Area Engineering Branch Telecommunications Program Rural Utilities Service</p>		
<p>Mid-America Cable Contractors, Inc. 5031 Davis Crossing Road Park Hills, Missouri 63601</p>			<p>COPIES TO: Borrower Engineer</p>		